

Membership Balance Plan
Department of Defense Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 183 and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Board of Actuaries (“the Board”) as a statutory advisory committee.
2. Mission/Function: The Board shall provide the Secretary of Defense and the Deputy Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), independent advice and recommendations, through the submission of an annual report, on matters, to include the actuarial status, relating to the DoD Military Retirement Fund, the DoD Education Benefits Fund, the DoD Voluntary Separation Incentive Fund, and such other funds as the Secretary of Defense shall specify and, in doing so, shall:
 - a. Review valuations of the DoD Military Retirement Fund, in accordance with 10 U.S.C. § 1465(c), and submit to the President and Congress, not less often than once every four years, a report on the status of that Fund, including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;
 - b. Review valuations of the DoD Education Benefits Fund, in accordance with 10 U.S.C. § 2006(e), and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - c. Review valuations of the DoD Voluntary Separation Incentive Fund and make recommendations to the President and Congress, on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - d. Review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and
 - e. Furnish advice and opinions on matters referred to the Board by the Secretary of Defense.
3. Points of View: The Board shall be comprised three members chosen from among qualified professional actuaries who are members of the Society of Actuaries.

Board members, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee members. Board members who are full-time or permanent part-time Federal officers or employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee members.

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The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The DoD has found that viewing the complex issues facing the DoD through a multidisciplinary advisory committee, provides the DoD and, more importantly, the American public with a broader understanding of the issues on which subsequent policy decisions are based.

The Board's membership balance is not static, and the Secretary of Defense or the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the Sponsor. The DoD, unless otherwise provided for by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

Each member, based upon his or her individual and professional experience, provides his or her best judgment on the matters before him or her and does so without representing any particular point of view and in a manner that is free from conflict of interest.

4. Other Balance Factors: NA
5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries.

Potential members are identified through the USD(P&R) requesting recommendations from senior career and political officials within the DoD, former and existing Board members, and the American Academy of Actuaries.

Once potential candidates are identified, the Designated Federal Officer reviews the credentials of each individual and narrows the list of candidates. During the USD(P&R's) review, he or she strives to achieve a balance between the professional credentials of the individuals and the near-term subject matter to be reviewed by the Board.

After the list of candidates has been narrowed, it is forwarded to the USD(P&R) for review and formal nomination to the Secretary of Defense or the Deputy Secretary of Defense. Prior to nominating the potential candidates, the list will undergo a review by the Office of the General Counsel for the Department of Defense and the Office of the Advisory Committee Management Officer to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's statute, charter, and membership balance plan. Following this review, the USD(P&R) discusses his or her potential nominees with the Secretary of Defense or the Deputy Secretary of Defense and requests authority to proceed with the nominations.

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Following the Secretary of Defense or the Deputy Secretary of Defense authorization and the USD(P&R's) subsequent administrative certification of the appointment, the candidates are required to complete the necessary appointment paperwork, to include meeting the appropriate ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

Board members will be appointed for a 15-year term of service, except that a Board member appointed to fill a vacancy occurring before the end of the term for which the member's predecessor was appointed shall only serve until the end of such term. A Board member may serve after the end of the member's term until a successor has taken the oath of office. No member, unless authorized by the Secretary of Defense, may serve on more than two DoD federal advisory committees at one time.

Membership vacancies for the Board will be filled in the same manner as described in the previous six paragraphs above.

6. Subcommittee Balance: The DoD has determined that subcommittees will not be authorized for this Board.
7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Advisory Committees, Boards, and Commissions (79 FR 47482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: July 1, 2016